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EARLY POTATO MARKETING ALONG THE ATLANTIC SEABOARD

A radio talk by Mr. A. E. Mercker, Extension Service, delivered in the Land Grant College program of Wednesday, June 21, 1933, and broadcast by a network of 50 associate NBC radio stations.

The Inter-State Early Potato Committee is a planning committee sponsored by the Extension Service and Bureau of Agricultural Economics of the U. S. Department of Agriculture and the Extension Services of the State of Maryland, Virginia, North Carolina, South Carolina, and Florida. It has been in operation for the past four years. Its personnel consists of the state directors of extension and one of their marketing specialists, a grower and a shipper from each state, and members of the Federal Department of Agriculture. It is entirely financed by public funds. All branches of the industry are invited to cooperate.

This Committee meets early in the fall of each year, and studies the results of the Department of Agriculture's research work on the outlook and prospects for the next season's early potato crop. It makes definite recommendations as to the acreage to be planted in each of the southeastern states. In order to bring about acreage adjustment, we hold about fifty meetings, attended by three thousand potato growers, or 40% of the southeastern producers; also twenty meetings with marketing agencies, banks, fertilizer manufacturers, and other organizations financing producers.

The potato marketing program consists in establishing an informal clearing house for mutual information. It starts operating at Hastings, Florida, early in April. Then it moves on to Charleston, South Carolina, when that State starts its movement of potatoes about the middle of May, then on to Washington, North Carolina, in June and over to the Eastern Shore of Virginia and Maryland during the latter part of this month.

This clearing house assembles, as far in advance as possible, the most reliable information on the production of early potatoes in the various competitive shipping sections. From these data we estimate the probable number of carloads that each section may ship during each week of the shipping period and the weekly movement of late potatoes. We change these tabulations twice weekly to make them more accurate. They have helped to bring about a more even flow of shipments from the southeastern states. Growers among competing sections have made sincere efforts to avoid glutting the market with unnecessarily heavy shipments, especially when one section's shipments are declining and another starting. Summaries containing current marketing information as to the total number of carloads sold, prices, distribution, cars consigned, those rolling unsold, track and yard holdings, and the estimated number to be loaded the following day are sent to each marketing agency every evening so that they know the strength or weakness of their market. Prices for the following day are then adjusted in accordance with these facts. Each marketing agency quotes the same f.o.b. price for the same grade and package of potatoes to all of their terminal market connections. The marketing agencies have requested that the Committee help in the stabilization of prices and the elimination of price cutting wars. They have felt that price cutting is very detrimental to the grower and in the past has caused buyers to hesitate to buy f.o.b. Through the Committee's efforts a firm price base is established, which is often at a higher level than the

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buyers anticipated. The elimination of price cutting is generally believed by the marketing agencies to greatly help the growers and themselves. It increases confidence, stabilizes prices, and, in some instances, benefits certain localities financially.

From Florida to Norfolk 95% of the marketing agencies cooperate as closely as it is possible for them to work together. They do not work together so well on the Eastern Shore of Virginia and Maryland.

The following letter, written by a shipper of southern potatoes, summarizes the results of the work briefly:

"For North Carolina, there are a great many deals that should be discussed and worked out before another season rolls around. We certainly feel that the Department's work in marketing this potato crop from Florida to Norfolk was very effective this year and was the means of the farmers in North Carolina securing a million dollars or more for their crop of potatoes than they would have got working independently. We can readily see the great advantages of this movement when we compare the marketing of the North Carolina crop with the marketing of the Virginia crop that followed so closely."